

REVEREND CLERGY, DISTINGUISHED MEMBERS OF THE CITY COUNCIL, PUBLIC OFFICIALS, FAMILY, FRIENDS AND CITIZENS OF PEABODY.

I AM PRIVILEGED TO STAND BEFORE YOU TODAY AS YOUR MAYOR TO REPORT ON THE PROGRESS OF OUR CITY AT THE MID-POINT OF MY CURRENT TERM IN OFFICE. THIS PAST YEAR WAS AN ACTIVE ONE FOR MUNICIPAL GOVERNMENT. MANY OF OUR GOALS FOR THIS ADMINISTRATION HAVE BEEN ACCOMPLISHED, AND SOME ARE WELL UNDERWAY AND WILL BE COMPLETED BEFORE THE END OF THE YEAR.

MUCH OF WHAT HAS BEEN ACCOMPLISHED IS DUE TO THE SPIRIT OF COOPERATION FROM THE CITY COUNCIL. I AM PLEASED THERE IS A CLEAR UNDERSTANDING BY BOTH THE LEGISLATIVE AND EXECUTIVE BRANCHES OF GOVERNMENT AS TO WHAT EACH OTHER'S RESPONSIBILITIES ARE. I WANT TO PERSONALLY THANK THE MEMBERS OF THE CITY COUNCIL FOR THEIR ASSISTANCE AND COOPERATION. LET ME ALSO TAKE THIS OPPORTUNITY TO THANK ALL THE MEMBERS OF THE VARIOUS BOARDS AND COMMISSIONS FOR THEIR TIME AND EFFORT IN ASSISTING TO MAKE OUR CITY A BETTER PLACE IN WHICH TO LIVE.

THIS MID-TERM ALSO MARKS THE MID-POINT OF OUR FISCAL YEAR. THOUGH WE ARE UNDER SEVERE FISCAL CONSTRAINTS, I AM CAUTIOUSLY OPTIMISTIC THAT WE WILL FINISH THE FISCAL YEAR MEETING OUR FINANCIAL COMMITMENTS WITHOUT ANY REDUCTIONS IN SERVICES. THERE IS NO QUESTION THAT THE CITY HAS FELT THE PINCH CREATED BY PROPOSITION 2½, BUT I BELIEVE THAT THE IMPLEMENTATION HAS TAKEN PLACE WITH THE LEAST AMOUNT OF DISRUPTION POSSIBLE. ALL OUR BASIC SERVICES ARE BEING PROVIDED, STREETS ARE BEING PLOWED, OUR TRASH IS BEING COLLECTED, OUR CHILDREN ARE BEING EDUCATED AND THERE HAVE BEEN NO LAY-OFFS IN THE PUBLIC SAFETY AREAS. I WANT TO TAKE THIS OPPORTUNITY

TO THANK THE SCHOOL COMMITTEE, NOT ONLY FOR ITS CONCERN IN PROVIDING QUALITY EDUCATION BUT SO ITS AWARENESS OF OUR FINANCIAL LIMITATIONS. THE SCHOOL BUDGET REPRESENTS NEARLY HALF OF THE CITY EXPENDITURES AND IT APPEARS, AT THIS POINT, THAT THE SCHOOL BUDGET DOES NOT HAVE ANY SERIOUS PROBLEMS.

FINANCIAL STABILITY HAS BEEN A MAIN PRIORITY OF THIS ADMINISTRATION. A STABILIZED TAX RATE FOR PEABODY HOMEOWNERS HAS BEEN ACHIEVED, WITH A TOTAL REDUCTION OF SEVENTEEN PERCENT OVER FISCAL YEARS 1981 AND 1982. I BELIEVE IT IS NOT FAIR TO ASK THOSE WHO PAY THEIR TAXES TO ALSO BE BURDENED BY THOSE WHO DO NOT. TO ENSURE THAT THIS IS NOT THE CASE, WE HAVE INSTITUTED NEW COLLECTION POLICIES IN THE COLLECTOR'S OFFICE. WITH A TOTAL TAX LEVY IN FISCAL 1982 IN EXCESS OF 23 MILLION DOLLARS, THE UNCOLLECTED BALANCE AT THE CLOSE OF FISCAL 1982 WAS LESS THAN \$50,000. OUR NEW COLLECTOR, DONALD JOHNSON, HAS BEEN DOING AN OUTSTANDING JOB, WITH HIS WEALTH OF KNOWLEDGE IN COLLECTION PROCEDURES, IN PURSUING TAX DELIQUENTS.

IT IS ALSO AT THIS POINT IMPORTANT TO ONCE AGAIN INDICATE THE FINANCIAL CONSTRAINTS WE ARE LIVING WITH. EXTREME CAUTION WILL HAVE TO BE EXERCISED OVER THE NEXT FISCAL YEAR. WITH LITTLE FLEXIBILITY THE ISSUES OF STATE AID, LOCAL RECEIPTS AND UNCONTROLLABLE COSTS COULD HAVE A SIGNIFICANT IMPACT ON OUR BUDGET. IT WILL BE THE RESPONSIBILITY OF EVERY DEPARTMENT HEAD TO MANAGE PRUDENTLY AND EFFECTIVELY. WE CANNOT AND WILL NOT TOLERATE INEFFECTIVE AND WASTEFUL MANAGEMENT.

MORE OVER, THIS ADMINISTRATION HAS ALWAYS BELIEVED THAT IN ORDER FOR OUR CITY TO FUNCTION

EFFICIENTLY, IT NEEDS BOTH CAPABLE PEOPLE AND PROPER ORGANIZATION. IT HAS ALWAYS BEEN THE POLICY, AND WILL CONTINUE TO BE THE POLICY, THAT INDIVIDUALS WILL BE SELECTED FOR EMPLOYMENT BASED SOLELY ON THEIR ABILITY TO DO THE JOB. THIS ADMINISTRATION WILL NOT ALLOW THE TAXPAYERS OF PEABODY TO BE BURDENED WITH THE COST OF INCOMPETENCE FOR THE SAKE OF POLITICAL EXPEDIENCY.

ONE YEAR AGO AT MY INAUGURAL I MADE SOME RECOMMENDATIONS THAT I BELIEVED WOULD IMPROVE OUR ADMINISTRATIVE STRUCTURE AND PROVIDE GREATER EFFICIENCY. I AM PLEASED TO REPORT THIS MORNING THAT THESE RECOMMENDATIONS HAVE BEEN IMPLEMENTED AND ARE WORKING WELL.

IN ORDER TO PROVIDE BETTER MANAGEMENT AND EFFECTIVE COST CONTAINING MEASURES, WE INSTITUTED A PERSONNEL DEPARTMENT UNDER THE ABLE DIRECTION OF DIANE CRIMMINS WHO BROUGHT EXPERIENCE FROM THE PRIVATE SECTOR. SHE HAS IMPLEMENTED CIVIL SERVICE RULE 30, WHICH WILL ALLOW THE ENTIRE CIVIL SERVICE SYSTEM FOR THE CITY TO BE ADMINISTERED LOCALLY WITHIN A YEAR. UNDER MS. CRIMMINS' SUPERVISION, ALL LINE-OF-DUTY INJURIES ARE ADMINISTERED ON A DAILY BASIS, STANDARDIZED FORMS HAVE BEEN DEVELOPED, PERSONNEL FILES HAVE BEEN COMPLETED FOR MOST CITY DEPARTMENTS, AND A SYSTEM OF MONITORING EMPLOYEE ATTENDANCE HAS BEEN INITIATED. SHE HAS BEEN INVOLVED IN NEGOTIATIONS, OVERSEES THE PROPER APPLICATION OF THE MUNICIPAL CONTRACT AND IS PRESENTLY COMPLETING A PERSONNEL POLICIES BOOKLET WHICH WILL DEFINE THE ADMINISTRATION OF BENEFITS TO PROVIDE CONSISTENCY THROUGHOUT THE CITY.

THE CONSOLIDATION OF THE HEALTH AND VETERANS SERVICES DEPARTMENTS INTO THE DEPARTMENT OF HUMAN SERVICES HAS BEEN ACCOMPLISHED. AFTER A LENGTHY SELECTION PROCESS, MR. PETER ANGERAMO

WAS CHOSEN AS THE NEW DIRECTOR, BRINGING YEARS OF MANAGEMENT EXPERIENCE FROM A FEDERAL REGULATORY AGENCY TO THE POSITION. UNDER HIS CAPABLE DIRECTION, AN IMPROVED LEVEL OF SERVICE IS NOW PROVIDED AT LESS COST TO THE TAXPAYERS.

THE REORGANIZATION OF THE ASSESSOR'S OFFICE HAS ALSO BEEN COMPLETED. WITH THE NEW ORGANIZATIONAL STRUCTURE AND THE PERSONNEL BROUGHT ABOARD, PEABODY NOW HAS THREE CERTIFIED ASSESSORS AND THE CREDENTIALS TO GIVE EXPERT TESTIMONY BEFORE THE STATE TAX APPELLATE BOARD. THIS ACTION PROVIDED THE EFFECTIVE MANAGEMENT AND PROFESSIONALISM TO CARRY THE CITY THROUGH THE ONGOING REVALUATION AND TO MAINTAIN THE ASSESSING RECORDS TO FULLY COMPLY WITH STATE LAW REQUIRING UPDATING OF ASSESSED VALUATIONS EVERY TWO YEARS.

LAST YEAR, RECOGNIZING THAT OUR DATA PROCESSING SYSTEM WAS ARCHAIC, I RECOMMENDED CENTRALIZING AND UPDATING OUR COMPUTER SERVICES. AN AD-HOC COMMITTEE WAS APPOINTED, INCLUDING MEMBERS OF THE CITY COUNCIL AND VARIOUS DEPARTMENT HEADS. THE COMMITTEE HAS MADE SIGNIFICANT PROGRESS IN COMPLETING OUR NEEDS ANALYSIS, AND REQUESTS FOR PROPOSALS ARE NOW BEING PREPARED. IT IS MY HOPE TO HAVE OUR NEW SYSTEM NEAR IMPLEMENTATION BY THIS TIME NEXT YEAR.

DURING THE PAST YEAR, OUR LEGAL DEPARTMENT HAS BEEN INVOLVED IN A NUMBER OF ACTIVITIES AND HAS DONE AN OUTSTANDING JOB UNDER THE DIRECTION OF LARRY O'KEEFE. THEY HAVE BEEN INVOLVED IN NEGOTIATIONS AND EXECUTION OF SEVERAL AGREEMENTS INVOLVING THE USE OF THE PEABODY LANDFILL. THESE AGREEMENTS HAVE INSURED THAT THE CITY WILL HAVE LANDFILL CAPACITY FOR AT LEAST TWENTY MORE YEARS WHILE, AT THE SAME TIME, IT WILL OBTAIN REVENUES FROM THE STATE AND OTHER

COMMUNITIES TO HELP DEFRAY EXPENSES FOR IMPROVEMENTS AND OPERATION OF THE LANDFILL. THE LEGAL DEPARTMENT HAS HAD AN ACTIVE YEAR DEFENDING THE CITY IN ALL LEVELS OF THE COURT SYSTEM ALONG WITH CONTRACT NEGOTIATIONS WITH ELEVEN SEPARATE BARGAINING UNITS.

WE ARE ALL EXTREMELY PROUD OF THE APPOINTMENT OF RONALD A. D'AVOLIO AS JUDGE TO THE NEWBURYPORT DISTRICT COURT. HE HAS BEEN AN OUTSTANDING ASSISTANT CITY SOLICITOR FOR 6½ YEARS AND I AM SURE HE WILL DISTINGUISH HIMSELF AS A GREAT JUDGE. HIS ELEVATION TO A JUDGESHIP HAS RESULTED IN THE ADDITION OF JOHN DENNIS HEALEY TO THE LEGAL STAFF. DENNIS HAS BEEN A MEMBER OF THE PLANNING BOARD FOR THE PAST THREE YEARS AND A PRACTICING ATTORNEY SINCE 1970. I AM SURE HIS EXPERTISE AND EXPERIENCE WILL BE A VALUABLE ADDITION TO THE STAFF.

UPON TAKING OFFICE I FELT STRONGLY FOR THE NEED FOR ECONOMIC DEVELOPMENT AND REVITALIZATION IN OUR COMMUNITY. FOR A COMMUNITY TO BE HEALTHY, IT HAS TO STIMULATE INVESTMENT, CREATE JOBS AND BROADEN ITS TAX BASE. THIS PAST YEAR HAS BEEN AN ACTIVE ONE AND SO WILL THE YEAR AHEAD AS WE CHART FOR YOU THE COURSE THAT THIS ADMINISTRATION INTENDS TO FOLLOW OVER THE NEXT YEAR IN PURSUIT OF OUR COMMONLY HELD IDEALS OF A HEALTHY AND DYNAMIC COMMUNITY. WE HAVE BEEN FORTUNATE TO HAVE AN INDIVIDUAL LIKE MIKE DI GIANO TO HEAD UP OUR COMMUNITY DEVELOPMENT DEPARTMENT. MIKE HAS DONE YEOMAN WORK FOR US AND IS RECOGNIZED AS ONE OF THE BEST DIRECTORS IN THE STATE.

FIRST LET'S TALK ABOUT JOBS AND THE OPPORTUNITY THAT THIS COMMUNITY OFFERS ITS CITIZENS TO EARN A LIVING IN A DIGNIFIED, SELF-SATISFYING MANNER. IT HAS BEEN A MAJOR GOAL OF THIS

ADMINISTRATION TO DO WHATEVER IT CAN TO STIMULATE ECONOMIC GROWTH WITHIN THE CITY. THIS PAST YEAR THE NATION AS A WHOLE HAS EXPERIENCED THE HIGHEST LEVEL OF UNEMPLOYMENT SINCE THE GREAT DEPRESSION. MANY OF US HAVE WITNESSED ON THE NATIONAL NEWS PROGRAMS THE DEVASTATING EFFECT OF UNEMPLOYMENT ON FAMILIES AND INDIVIDUALS. INDEED, SOME OF US MAY HAVE FRIENDS OR RELATIVES WHO ARE UNEMPLOYED. YET, MASSACHUSETTS OVERALL HAS WEATHERED THE ECONOMIC CRISIS WELL. WHILE NATIONAL UNEMPLOYMENT FIGURES AVERAGE OVER 10 %, MASSACHUSETTS HAD THE (UNADJUSTED). LOWEST JOBLESS RATE OF ANY INDUSTRIALIZED STATE WITH 8.1 %^ ECONOMISTS AGREE THAT THE UNPARALLELED GROWTH OF THE HIGH TECH INDUSTRY IN THIS STATE HAS BEEN THE BEDROCK OF OUR NEW-FOUND ECONOMIC STRENGTH.

IT PLEASES ME GREATLY TO BE ABLE TO SAY THAT PEABODY OVER THE LAST THREE YEARS HAS BEGUN TO SHARE IN THAT NEW ECONOMIC REALITY. UNEMPLOYMENT LAST YEAR (UNADJUSTED), IN THIS CITY AVERAGED 6.3 %^ AND DESPITE THE FACT THAT NATIONALLY 1982 SAW A POST DEPRESSION RECORD OF SMALL BUSINESS CLOSINGS, PEABODY CONTINUES TO OFFER A POSITIVE, EXCITING CLIMATE FOR BUSINESS INVESTMENT AND EXPANSION. WE HAVE AT THIS TIME AN APPLICATION PENDING BEFORE THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR 6 MILLION DOLLARS IN LOW INTEREST FINANCING TO ASSIST TWO LARGE COMPANIES IN LOCATING AT CENTENNIAL INDUSTRIAL PARK. IF WE ARE SUCCESSFUL, THESE TWO COMPANIES WILL ADD ANOTHER 700 JOBS AND 400,000 SQ. FEET OF INDUSTRIAL SPACE TO OUR ECONOMIC BASE. ANALOGIC CORPORATION IS NEARING

COMPLETION OF ITS FIRST 230,000 SQ. FT. BUILDING AND WILL START THE FOUNDATION OF THE SECOND STRUCTURE IN A FEW MONTHS. S.S. PIERCE COMPLETED ITS 200,000 SQ. FT. BUILDING THIS PAST JUNE AND IS NOW FULLY OPERATIONAL IN THIS CITY WITH ITS 300 JOBS. PURCHASE AND SALES NEGOTIATIONS ARE UNDERWAY WITH TWO OTHER FIRMS THAT, ONCE CULMINATED, COULD ADD ANOTHER 200,000 SQ. FT. AND AN ADDITIONAL 200 JOBS TO THE PARK BY 1984.

WITH THE HELP OF THE CITY COUNCIL, THE COMMUNITY DEVELOPMENT AUTHORITY, THE PLANNING BOARD, CONSERVATION COMMISSION AND OTHERS, THE CITY HAS MADE CENTENNIAL PARK A SUCCESS STORY. LAST YEAR WE RECEIVED AN \$800,000 GRANT FROM THE STATE TO UPGRADE SEVERAL OF THE INTERSECTIONS ALONG LYNNFIELD STREET SO THAT WE CAN BETTER HANDLE ANTICIPATED PARK TRAFFIC. WORK SHOULD BEGIN THIS SPRING. IN 1982 WE COMPLETED, ON SCHEDULE, THE 2.6 MILLION DOLLARS IN ROADWAY AND UTILITY PROJECTS THAT FORMED THE BASIS OF THE CITY'S COMMITMENT TO LURE INDUSTRY INTO THE PARK AND RECEIVED OVER 10 MILLION DOLLARS IN URBAN DEVELOPMENT ACTION GRANT FUNDS. WE HAVE KEPT PRESSURE ON THE GOVERNOR'S OFFICE, OUR SENATORS AND REPRESENTATIVES, THE MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS AND THE FEDERAL HIGHWAY ADMINISTRATION TO KEEP THE CONSTRUCTION SCHEDULE OF THE FOREST STREET INTERCHANGE, SO CRITICAL TO THE PARK'S CONTINUED SUCCESS, ON TRACK. FOR THOSE OF YOU WHO HAVE NOT DRIVEN THROUGH CENTENNIAL PARK, PARTICULARLY LAST FALL, I URGE YOU TO DO SO THIS SPRING AND SUMMER.

THE PARK IS A JEWEL, TESTIMONY TO THE DRIVE AND SPIRIT OF THE CITIZENS OF
 BODY.

BUT, WE CANNOT REST ON OUR LAURELS FOR MUCH REMAINS TO BE DONE. WE MUST
 CONTINUE TO KEEP THE PRESSURE ON THE STATE AND FEDERAL GOVERNMENT FOR TIMELY
 CONSTRUCTION OF THE FOREST STREET INTERCHANGE. WE MUST CONTINUE OUR AGGRESSIVE
 MARKETING CAMPAIGN. AT THE SAME TIME WE WILL ONLY LOCATE THOSE COMPANIES IN
 THE PARK WHICH WILL FURTHER STRENGTHEN OUR INDUSTRIAL BASE, WHICH HAVE PROMISING
 POTENTIAL FOR JOB GROWTH AND ADDITIONAL CAPITAL INVESTMENT IN THE CITY. FINALLY,
 WE MUST LOOK TO OUR FUTURE AND THE TIME THAT CENTENNIAL PARK WILL BE FILLED.

CAN THE CITY CONTINUE TO PROMOTE INDUSTRIAL GROWTH WITHOUT MORE LAND FOR
 NEW CONSTRUCTION OR VACANT BUILDING STOCK FOR CONVERSION? SHOULD THE CITY
 CONTINUE IN THIS ROLE IN THE FUTURE? WITH 16 MILLION DOLLARS COMING BACK TO
 THE CITY THROUGH UDAG REPAYMENTS, WE ARE IN AN EXCELLENT POSITION TO PROVIDE
 INCENTIVE FINANCING TO LURE NEW INDUSTRY AND BUSINESSES TO THE CITY. NEXT
 YEAR, THIS ADMINISTRATION WILL MAP OUT A NEW, POST-CENTIENNIAL PARK PROGRAM OF
 INDUSTRIAL DEVELOPMENT.

THE SEEDS OF RENEWAL HAVE BEEN SOWN IN OUR DOWNTOWN AS WELL. AT THE
 BEGINNING OF MY SECOND TERM, I SET THREE GOALS THAT I SAID WERE ESSENTIAL FOR
 SUCCESSFUL DOWNTOWN REVITALIZATION PROGRAM:

1. IMPROVEMENTS TO OUR CITY'S INFRASTRUCTURE-STREETS: SIDEWALKS, PUBLIC PARKING LOTS, RECREATION AREAS.

2. PRESERVATION OF THE OLDER HOUSING STOCK.

3. PROMOTION OF BUSINESS EXPANSION AND INVESTMENT IN OUR DOWNTOWN.

I AM HAPPY TO REPORT THAT IN 1982 THIS CITY HAS EXPERIENCED SUCCESS ON ALL THREE FRONTS. FIRST AND FOREMOST IS OUR URBAN SYSTEMS PROGRAM, PERHAPS THE LARGEST SINGLE CAPITAL IMPROVEMENTS PROGRAM TO BE UNDERTAKEN IN OUR DOWNTOWN SINCE THE CITY'S INCEPTION. LAST YEAR AT THIS TIME WE DID NOT EVEN HAVE A PLAN. TODAY WE HAVE A SET OF CONSTRUCTION DRAWINGS AT THE MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS FOR FOUR MILLION DOLLARS WORTH OF STREET AND SIDEWALK IMPROVEMENTS. LAST YEAR, BECAUSE OF PROPOSED CUTS IN FEDERAL FUNDING, ASKED THE BUSINESS COMMUNITY AND CIVIC GROUPS AS WELL AS THE CITY COUNCIL TO WORK WITH THE COMMUNITY DEVELOPMENT DEPARTMENT TO FORMULATE A REALISTIC AND FUNDABLE SET OF PUBLIC WORKS IMPROVEMENTS TO ENHANCE THE SAFETY AND ATTRACTIVENESS OF OUR DOWNTOWN FOR MOTORIST AND PEDESTRIAN ALIKE. THANKS TO THE COOPERATION OF THOSE INTEREST GROUPS AND THE CITY COUNCIL, WE HAVE MET OUR MOST OPTIMISTIC TIMETABLE.

FUNDING OF OUR PROPOSAL DEPENDS ON THE AVAILABILITY OF FEDERAL FUNDING. WHETHER WE ARE SUCCESSFUL THIS YEAR OR NEXT I AM NOT CERTAIN: BUT ONE THING

THAT IS CLEAR IS THAT WE NOW HAVE A BLUEPRINT, A PLAN OF ACTION AND THERE IS A FIGHTING CHANCE TO RECEIVE OUTSIDE FINANCIAL AID. I FEEL CONFIDENT THAT WE WILL BE SUCCESSFUL AND CONSTRUCTION COULD START ON THESE IMPROVEMENTS AS EARLY AS MIDSUMMER.

ONE OF THE THINGS THAT BECAME APPARENT DURING THE VARIOUS PUBLIC MEETINGS THAT WERE HELD FOR OUR URBAN SYSTEMS PLAN WAS THE NEED FOR MORE PARKING IN OUR DOWNTOWN. TO THAT END, THE CITY'S COMMUNITY DEVELOPMENT APPLIED FOR AND RECEIVED \$230,000 IN STATE OFF-STREET PARKING FUNDS TO CONSTRUCT 135 PARKING SPACES IN THREE OFF-STREET LOCATIONS. IN ORDER TO BETTER MANAGE OUR SUPPLY OF PUBLIC PARKING, THE CITY WILL DEVELOP OVER THE NEXT YEAR A PROGRAM OF INCREASED ENFORCEMENT OF PARKING REGULATIONS SO THAT THE METERED SPACES ON MAIN STREET ARE USED TO THE BEST ADVANTAGE OF DOWNTOWN SHOPPERS AND CUSTOMERS.

WE HAVE ALSO BEEN WORKING HARD TO UPGRADE THE OLDER NEIGHBORHOODS SURROUNDING OUR DOWNTOWN. IN 1982, WE SPENT \$ 165,000 IN SMALL CITIES FUNDS TO REPAVE SEVERAL NEIGHBORHOOD STREETS. I REQUESTED AND THE CITY COUNCIL APPROVED \$300,000 IN LOCAL BOND MONEY TO PROVIDE FURTHER STREET IMPROVEMENTS. WORK WILL BEGIN THIS SPRING ON REBUILDING FARNHAM PARK FOR A TOTAL COST OF \$500,000. A NEW PARK, PIERPONT, WAS COMPLETED LAST SUMMER.

THE KEY TO ANY NEIGHBORHOOD IS ITS HOUSING STOCK. IN 1982, THE COMMUNITY

DEVELOPMENT DEPARTMENT PROCESSED \$ 450,000 IN HOME IMPROVEMENT GRANTS TO LOW INCOME HOUSEHOLDS. THE PROGRAM WILL END IN MID 1983 WITHOUT ADDITIONAL FEDERAL FUNDING. BY THAT TIME WE WILL HAVE PROCESSED A TOTAL OF \$ 1.1 MILLION IN HOME IMPROVEMENT GRANTS TO BRING AN ESTIMATED 350 HOUSING UNITS UP TO CODE.

IN 1982, THE CITY LAID THE FOUNDATION FOR OTHER INNOVATIVE HOUSING PROGRAMS. BECAUSE OF ITS TRACK RECORD, PEABODY WAS CHOSEN A NATIONAL DEMONSTRATION CITY FOR HUD'S NEW RENTAL REHABILITATION PROGRAM. THIS RESULTED IN AN IMMEDIATE INFUSION OF \$ 87,000 IN NEW SECTION 8 FUNDS WITH THE POSSIBILITY OF LARGER AMOUNTS OF FUNDING IN THE FUTURE. IN ADDITION, THE CITY, THE MASSACHUSETTS HOUSING FINANCE AGENCY AND A LOCAL BANK HAVE EMBARKED UPON A JOINT HOME IMPROVEMENT LOAN PROGRAM WHICH WILL MAKE \$ 500,000 IN LOW INTEREST LOANS AVAILABLE TO QUALIFIED HOMEOWNERS AND BORROWERS IN OUR TARGET AREA.

FINALLY, THE CITY WAS SUCCESSFUL IN OBTAINING OVER \$400,000 IN BELOW MARKET RATE FINANCING UNDER THE HUD SECTION 12 PROGRAM FOR A LOCAL DEVELOPER TO UPGRADE EXISTING RENTAL HOUSING IN OUR DOWNTOWN.

UNFORTUNATELY, ALL OF THESE PROGRAMS ONLY MAKE A DENT IN THE HOUSING NEED WITHIN THE CITY. YET, WITHOUT THESE PROGRAMS, A SIGNIFICANT PART OF THAT NEED WOULD GO UNMET RESULTING IN A DECAY OF THE SOCIAL AND ECONOMIC FABRIC WHICH

BINDS TOGETHER OUR OLDER NEIGHBORHOODS. AS I LOOK AHEAD TO THE NEXT 12 MONTHS, OUR CITY WILL BE FACING SOME TOUGH QUESTIONS CONCERNING THE REDUCED FEDERAL FUNDING WHICH THREATENS THE VERY EXISTENCE OF OUR HOUSING PROGRAMS. I PLEDGE TO DO EVERYTHING WE CAN TO HOLD THESE PROGRAMS IN PLACE.

AS A BUSINESS AND INVESTMENT PROMOTER, THE CITY HAS BEEN ABLE TO PUT INTO PLACE BELOW MARKET RATE FINANCING PACKAGES THAT HAVE MADE DOWNTOWN PEABODY A MORE ATTRACTIVE PLACE IN WHICH TO INVEST. WITH LOW INTEREST FACADE IMPROVEMENT LOANS, HUD 312 LOANS, AND INDUSTRIAL REVENUE BOND FINANCING, THE CITY HAS AVERAGE IN 1982 OVER \$ 750,000 IN PRIVATE INVESTMENT IN OUR DOWNTOWN. LAST YEAR IN MY INAUGURAL ADDRESS, I ANNOUNCED, AS AN IMPORTANT GOAL, THE ESTABLISHMENT OF THE FACADE IMPROVEMENT PROGRAM. LOCAL BANKS RESPONDED ADMIRABLY AND TODAY WE HAVE THE PROGRAM. I CITE THIS AS AN EXAMPLE OF THE PARTNERSHIP BETWEEN THE CITY AND THE PRIVATE SECTOR THAT WILL BE SO IMPORTANT IN CONTINUING OUR REVITALIZATION EFFORTS.

I BELIEVE 1983 WILL BE A WATERSHED YEAR FOR PEABODY. OVER THE PAST TWO YEARS THIS CITY HAS RECEIVED CLOSE TO FOURTEEN MILLION DOLLARS IN FEDERAL ECONOMIC AND COMMUNITY DEVELOPMENT FUNDS AND OVER A MILLION DOLLARS IN STATE FUNDS. WHEN I BECAME MAYOR IN 1979, PEABODY HAD THE SMALLEST LEVEL OF FEDERAL GRANT FUNDING PER CAPITA OF ANY CITY IN THE COMMONWEALTH. WE WERE SHIPPING

MANY MORE DOLLARS TO BOSTON AND WASHINGTON THAN WE WERE GETTING BACK.

SINCE 1979, THAT SITUATION HAS BEEN TURNED AROUND AND THE OUTSIDE FUNDING HAS NOW BEEN USED FOR WORTHWHILE PROGRAMS THAT WILL HAVE LONG TERM ECONOMIC AND SOCIAL PAYBACKS FOR THIS CITY. IT TOOK HARD WORK TO GET TO WHERE WE ARE TODAY BUT IT WILL BE EVEN TOUGHER TO MAINTAIN OUR FORWARD ROLL IN LIGHT OF MASSIVE FEDERAL FUNDING CUTBACKS. IN 1983, THIS CITY WILL HAVE TO MAKE A CONCERTED EFFORT POLITICALLY AND FINANCIALLY TO MAINTAIN OUR ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS. I BELIEVE IT IS A FANTASTIC INVESTMENT IN THE FUTURE -- THAT \$15,000,000 IN PUBLIC INVESTMENT BROUGHT THOUSANDS OF JOBS TO THIS CITY, EXPANDED OUR TAX BASE AND PROVIDED A QUANTUM LEAP INTO THE NEWLY REJUVENATED HIGH TECH ORIENTED ECONOMY OF MASSACHUSETTS.

THE YEAR AHEAD WILL BE CHALLENGING FOR ALL OF US. WE MUST ADDRESS THE SERIOUS PROBLEM OF THE NEED FOR A WATER REHABILITATION PROGRAM. THE CITY MUST ADDRESS THAT ISSUE IMMEDIATELY SO AS TO PROVIDE ADEQUATE DISTRIBUTION AND STORAGE NOT ONLY FOR THE SHORT TERM BUT ALSO FOR THE FUTURE. IT WOULD BE TRAGIC TO HAVE THOSE WHO FOLLOW US WITHOUT THE AVAILABILITY OF SUFFICIENT WATER. WE WILL HAVE TO WORK TO PUT IN PLACE OUR NEW COMPUTER SYSTEM.

INDUSTRIAL DEVELOPMENT WILL BE ONGOING. WE WILL HAVE TO START IMMEDIATELY IMPLEMENTING THE PROGRAMS FOR WHICH WE HAVE RECEIVED BOTH STATE AND FEDERAL

FUNDING.

IT WILL BE A CRUCIAL YEAR IN OUR SCHOOL SYSTEM WITH THE STUDY BEING DONE NOW AS TO THE FUTURE STRUCTURE OF OUR SCHOOL SYSTEM ALONG WITH THE LONG AND DIFFICULT TASK OF SELECTING A NEW SUPERINTENDENT. THESE ISSUES ALONG WITH THE MULTITUDE OF ISSUES THAT WE FACE ON A DAY TO DAY BASIS WILL BE CHALLENGING.

I BELIEVE WE CAN MEET THE CHALLENGE AHEAD. IT WILL REQUIRE HARD WORK, UNDERSTANDING AND COOPERATION BY ALL. THAT IS NOT TO SAY THAT WE WILL NOT DISAGREE: I BELIEVE HONEST DIFFERENCES OF OPINION MOTIVATED BY PRINCIPLE ARE HELPFUL: BUT DIFFERENCES BASED ON POLITICAL EXPENDIENCY ARE DETRIMENTAL AND HAVE AN ADVERSE EFFECT ON OUR CITY AND THE PEOPLE WE SERVE.

IN CONCLUSION, WE HAVE A RESPONSIBILITY TO THOSE WHO HAVE PLACED THEIR TRUST IN US TO ADMINISTER THE AFFAIRS OF THIS CITY. I ASK FOR YOUR HELP. I ASK FOR YOUR UNDERSTANDING SO THAT TOGETHER WE CAN ALL BE PROUD THAT WE WERE ABLE TO ACCOMPLISH THE TYPES OF THINGS THAT IMPROVE THE QUALITY OF LIFE AND MAKES ONE PROUD TO SAY, "I LIVE IN PEABODY, MASSACHUSETTS".

THANK YOU AND GOD BLESS YOU ALL!

